

Minutes of Meeting
Health Services Council
Project Review Committee-I

DATE: 3 October 2006 TIME: 2:30 PM

LOCATION: Health Policy Forum

ATTENDANCE:

Committee I: Present: Edward Almon, John W. Flynn, John Keimig, Robert S. L. Kinder, M.D., Amy Lapierre, Robert J. Quigley, DC, (Chair)

Not Present: Joseph Centofanti, M.D. Robert Ricci, Robert Whiteside

Excused Absence: Victoria Almeida, Esq., (Vice Chair)

Other Members: Present: Larry Ross

Staff: Valentina D. Adamova, Michael K. Dexter, Joseph G. Miller, Esq., Jennifer Morgan (Intern)

Public: (Attached)

1. Call to Order, Approval of Minutes, Conflict of Interest Forms and

Time Extension for the Minutes Availability

The meeting was called to order at 2:30 PM. The Chairman noted that conflict of interest forms are available to any member who may have a conflict. Minutes of the 23 May 2006 and 15 August 2006 Project Review Committee-I meetings were approved as submitted. The chairman requested a motion for the extension of time for the availability of minutes pursuant to the Open Meetings Act. A motion was made, seconded and passed by six in favor and none opposed (6-0) that the availability of the minutes for this meeting be extended beyond the time frame provided for under the Open Meetings Act. Those members voting in favor were: Almon, Flynn, Keimig, Kinder, Lapierre, Quigley.

2. General Order of Business

The first item on the agenda was the application of South County Hospital Healthcare System for a Certificate of Need to establish a diagnostic cardiac catheterization service.

The applicant introduced Dr. Kline, Chief Physician Officer for Lifespan, and the Associate Dean of Strategic Plan at Brown Medical School. Dr. Kline discussed the benefits of the satellite community programs. He noted that satellite programs provide additional local access and a high degree of convenience for patients and allow for

the local staff to participate in the decision making process. He noted that the program has the endorsement of Dr. David Williams, Medical Director of Cardiology at Rhode Island Hospital, who could not attend this meeting. Dr. Kline made comments regarding cost savings at a community hospital. The Chairman requested that the applicant provide estimates of the cost savings of a community hospital versus a tertiary hospital for the same service. Mr. Giancola, President of South County Hospital ("SCH"), stated that the information is not available right now. Dr. Kline stated that on a national level the cost savings can exceed \$2,000 per case. The Chairman requested that information in writing. Mr. Almon stated that the system doesn't save or pay extra on these \$2,000 a case, it's just a matter of cost allocation, that's an accounting device. He stated that it's the corporate overhead that costs. Dr. Kline stated that it's a question of indirect versus direct costs, and often direct costs are different at a community hospital because of the cost of labor and capital. Mr. Almon stated that unfortunately the third party payors lump that together and they say its less expensive to go to a community hospital as opposed to tertiary care but it isn't, it's the overhead and research they are paying for.

Mr. Keimig noted that if the system was just redistributing existing volume that there is still fixed overhead costs that the system has to still maintain. Dr. Kline stated that if its just redistributing volume, if there is new volume or if there are people who can't achieve access obviously it's a different equation. Mr. Keimig asked when the New

York Presbyterian started their outreach with cardiac catheterization how far away were those hospitals from Manhattan. Dr. Kline stated that the closest was about 20 miles and the farthest 101 miles.

Dr. Fara, senior cardiologist at SCH, discussed access to the service. He noted the difficulty of recruiting cardiovascular specialists. Mr. Flynn asked what percentage of these procedures are scheduled. Dr. Fara stated that 70% are scheduled in advance.

Donald Ford, former member of the Health Services Council and ex-CEO of SCH, discussed his experience as a patient and made comments in support of the application.

Ms. Wyman noted that she handed out a response to staff's memo. She reviewed the memo. She noted that the capacity figure used by Mr. Zimmerman were developed in 1995 and other states used figures up to 1,200. Staff requested that the applicant identify when those standards of other states were developed and whether those standards are older than the ones developed by Mr. Zimmerman. Ms. Wyman stated that Mr. Zimmerman's analysis included cath labs that were performing minimal number of cases. Staff noted that existing capacity should not be excluded from an analysis or future projections. Staff noted that Mr. Zimmerman will be updating his needs analysis report to include the data from 2006. Ms. Wyman stated that if you discount the labs that are not performing at a certain level, there are only 11 active cath labs and not 13. Staff asked

which cath labs the applicant was excluding. Ms. Wyman stated it's Roger Williams and Memorial cath labs. She stated that the Zimmerman report assumes that establishing a cath lab in South County would adversely impact the programs at other hospital. She stated that in fact the community programs draw from the community and take volume from tertiary care centers. Staff noted that Westerly Hospital has significant overlap with the service area of SCH and in 2005 out of the 395 patients treated at Westerly 201 came from the same service area. Ms. Wyman stated that 42 patients came from the primary service area. Staff noted that Westerly Hospital has submitted comments noting their concerns regarding the application and its effect on their volume. Mr. Gioncola stated that it is not the intent to draw from Westerly Hospital. Staff noted that the comments by Westerly Hospital reference the 201 volume number.

Dr. Fara noted a letter by Dr. Heronian at Westerly Hospital noting the cath lab would have little impact on its numbers. This is based on Dr. Fara's privileges at that cath lab and their low volumes because patients went outside the service area for services.

Ms. Lapierre asked the projected number of cath to be performed at SCH. Dr. Fara stated that it would start close to 300 cases in the first year.

Ms. Wyman stated that based on language in regulations, that there be substantial or obvious community need, the application has

shown true need for this service. With regards to considering the availability of existing facilities, equipment and services, both statewide and on a local basis, she noted that much attention has been given to statewide capacity and utilization and the application looked at local community need. She stated that the hospital will be an affiliate of Rhode Island Hospital (“RIH”).

Dr. Fara stated that in his opinion not having a cath lab places the hospital at a disadvantage. Ms. Wyman state that nationwide 80% of community hospital provide diagnostic cath services.

Ms. Wyman discussed the agreement between SCH and RIH.

Staff noted that according to Mr. Zimmerman’s report the addition of a new cardiac cath lab at SCH raises the possibility that the volume of angiographies at Westerly Hospital may fall below the ACC/AHA recommended number of 300 cases per year.

Dr. Fara discussed the types of patients to be treated.

Staff requested that the applicant provide, in writing, a statement from Lifespan that they agree with the revised agreement.

There being no further business the meeting was adjourned at 3:50 PM.

Respectfully submitted,

Valentina D. Adamova